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Evaluation

Evaluation of UNDP contribution to environmental management for poverty reduction: the poverty-environment nexus

Executive summary

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I. Introduction

1. The evaluation of the United Nations Development Programme contribution to environmental management for poverty reduction: the poverty-environment nexus began in May 2009, as part of the UNDP Evaluation Office 2009-2010 programme of work approved by the UNDP Executive Board.

2. The proposition driving this evaluation is that there is a nexus of issues closely linking poverty alleviation and environmental protection. This springs from an understanding that:

(a) Development schemes run the risk of sacrificing longer-term environmental sustainability for short-term economic and job creation benefits;

(b) Overexploitation of natural resources adversely effects ecosystem health, and in time reduces economic output;

(c) The rural poor disproportionately depend on the availability of natural resources for their subsistence livelihoods;

(d) Efforts to reduce pollution and conserve natural resources are unlikely to achieve success if the majority of citizens view them as unfairly restricting opportunities for people to work and feed their families;

(e) Integrated programmes can improve the livelihoods of the poor while protecting the environment.

3. This evaluation encompasses, inter alia, an analysis of UNDP policies, strategies and programmes at the global, regional, and country levels; implementation of related projects; and cooperation with other United Nations agencies and donors regarding the nexus. The evaluation is both retrospective and prospective, i.e., taking stock of the past while looking into the future with respect to the role of UNDP in the field. While the evaluation acknowledges activities on poverty-environment linkages since the United Nations Conference on Environment and Development in 1992, the focus of analysis is limited to the period since 2004.

4. The evaluation builds from the objectives that UNDP has set out in its policy and strategy documents. In the second multi-year funding framework developed in 2002, the following core goals were established: (a) achieving the Millennium Development Goals and reducing human poverty; (b) fostering democratic governance; (c) managing energy and environment for sustainable development; (d) supporting crisis prevention and recovery; and (e) responding to HIV/AIDS. The current strategic plan, 2008-2011 (extended to 2013) building upon the earlier goals focuses on four focus areas: poverty reduction and achievement of the Millennium Development Goals; democratic governance; crisis prevention and recovery; and environment and sustainable development; recognizing gender equality and the empowerment of women as a cross-cutting issue.

5. The evaluation assesses the relevance of UNDP work with respect to national priorities and the UNDP mandate; the effectiveness of achieving development results; the efficiency of institutional and programming arrangements; and the sustainability of resulting benefits.

6. The evaluation includes case studies in nine countries (Bhutan, Kyrgyzstan, Mali, Morocco, Paraguay, Rwanda, Trinidad and Tobago, the United Republic of Tanzania, Viet Nam) conducted by national and regional consultants under the

guidance of the core evaluation team. These case studies were supplemented by telephone interviews in 29 other countries and extensive interviews at UNDP headquarters, regional centres, and with key partner organizations.

7. The evaluation considers as part of the strategic framework for the poverty-environment nexus the extensive array of international conventions and multilateral agreements developed over more than 40 years, establishing a global commitment to sustainable development. Thus, for example, it builds from the Rio Declaration that "All States and all people shall cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development, in order to decrease the disparities in standards of living and better meet the needs of the majority of the people of the world." In this regard, also of particular importance is the Millennium Summit of 2000, at which the General Assembly established time-bound Millennium Development Goals to be achieved by 2015, including Goal 7: ensure environmental sustainability.

8. The evaluation takes special notice of the Poverty-Environment Initiative managed in partnership with the United Nations Environment Programme (UNEP). Special attention is also given to the role of UNDP as an implementing agency for the Global Environment Facility (GEF), the largest funder worldwide of projects to improve the global environment. From 2006-2010, UNDP assisted partner Governments to secure a total of $1,146 million in GEF funding (an average of $286 million per year), comprising roughly 50 per cent of UNDP annual environment and energy expenditures. As part of its GEF implementation responsibilities, UNDP also administers the Small Grants Programme, which focuses on local environmental issues and is especially pertinent to the poverty-environment nexus.

9. Throughout the three decades of effort to enunciate a set of international norms for sustainable development, UNDP has been a key actor within the United Nations system. The 1990 Human Development Report elaborated on the concept of sustainable development and the linkages between human development and the protection of natural resources and the physical environment. In chapter 4, the Report further recognized poverty as one of the greatest threats to the environment, and stated that in poor countries, poverty often causes deforestation, desertification, salination, poor sanitation and polluted and unsafe water, and that this environmental damage reinforces poverty. It further stated that any plans of action for environmental improvement must therefore include programmes to reduce poverty in the developing world.

II. Findings

10. **The recognition of a poverty-environment "nexus" in UNDP and its importance for countries to achieve sustainable development is substantial; however, the articulation of this awareness at all levels in the organization is uneven and somewhat haphazard.** At the field level, the linkages are generally understood to mean taking account of poverty issues in environmental work. At the regional and headquarters levels, the understanding of the nexus is sometimes more sophisticated but is rarely translated into a consistent articulation of principles and practices. Where good practice is found and replicated, this more often than not arises from individual "champions" and country office initiatives rather than a coordinated institutional approach.

11. **The UNDP focus area structure promotes a "silo effect" that makes cooperation across sectors difficult.** Since the nexus is not incorporated into UNDP goals or measures of performance, there is no incentive for staff to take up integrative, cross-sectoral initiatives. Interviews and other evidence from the 38 country offices analysed in this evaluation show that in some country offices there has been very little coordination between the environment and poverty focus areas (e.g., Botswana, India, Kenya); in others they have worked together on an ad hoc basis (Malaysia, Mozambique, Papua New Guinea, Viet Nam). In some country offices, a close working arrangement can be seen (Bangladesh, Ghana, the Lao People's Democratic Republic, Sri Lanka, Thailand); while in others, the country offices have combined their focal-area structures in order to better address interlinkages (Cameroon, Senegal), or simply for greater programme management efficiency (Bulgaria, the Syrian Arab Republic, Ukraine).

12. **UNDP dependence on external funding, especially for the environment, reinforces the institutional attention to focus area-specific work, and makes the articulation of UNDP priorities more difficult.** Most donors do not provide incentives to address poverty-environment linkages, although many external funding sources for environment programmes tend to be receptive to their inclusion. The GEF has been seen in the past as an impediment to poverty-environment linkages due to its focus exclusively on global environmental benefit. This has been changing in the past two replenishment cycles of the fund, with strategic plans that acknowledge the importance of promoting sustainable livelihoods, and with an expansion of programmes (especially small grants and land degradation) that focus on local-level impacts. There is evidence that UNDP has influenced GEF policy with regard to mainstreaming global environmental and local development benefits, in particular in the biodiversity focal area of the GEF.

13. **A systemic impediment to the effective integration of poverty and environment in UNDP work is the absence of monitoring processes and indicators, which affects both the initiation and design of programmes and projects and the determination of their results.** The lack of indicators to track poverty-environment linkages, either qualitative or quantitative, significantly diminishes attention to the related issues. Reduced ability to monitor progress also reduces incentives. This applies to both programme and project monitoring, as well as performance reviews of country offices and staff. The absence of monitoring and evaluation eliminates the potential for sharing and learning from best practices; and there is less information to disseminate about what is being done related to the poverty-environment nexus.

14. **UNDP efforts to highlight the importance and potential of poverty-environment linkages have been mixed, with significant achievements, but considerable variation in direction and priority.** There are many cases where UNDP has used the processes of donor coordination and the United Nations Development Assistance Framework (UNDAF) to encourage greater attention to poverty-environment linkages. In Mexico, UNDP has convened multisector environmental consultative groups and established "platforms for debate" at the local, state and federal levels. In Honduras, UNDP has taken the lead on environmental sustainability aspects of MDG achievement and used this work to help foster poverty-environment nexus issues in its interactions with the Government.

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15. **UNDP cooperation with other institutions on the poverty-environment nexus varies based on opportunities and on the level of interaction between organizations in a particular context or situation.** Globally, UNDP is a partner with the major multilateral accords and conventions related to development. At the country level, UNDP plays a pivotal role because of its extensive office presence, and its management role of the United Nations resident coordinator system, enabling it to lead donor coordination and promote integrative activities through the UNDAF. Inter-agency rivalry at the country level has sometimes inhibited cooperation, except where co-funding and donor support has been sought, e.g., for a GEF project, where such cooperation is mandatory. There is one specific partnership formally integrating the two focus areas, the Poverty-Environment Initiative, with UNEP, which has exhibited high potential.

16. **Country studies and interviews have shown that where nexus issues are recognized as critical to achieving sustainable development, there is strong support to address them in programmes and projects.** Positive examples have been seen in GEF-funded projects, notably the Small Grants Programme, as well as recent climate change adaptation-related programmes.

17. **There is evidence that positive results at the country level can get replicated.** Favourable outcomes of initial Poverty-Environment Initiative projects in Rwanda and the United Republic of Tanzania in 2005 led to a significant scaling-up of the programme in 2007, with 18 countries getting involved, including several in Asia and the Pacific and two each in Central Asia and Latin America and the Caribbean. A further expansion of the Poverty-Environment Initiative is anticipated.

18. **Country-specific circumstances regarding the nexus play a major role in how poverty-environment linkages are understood and addressed.** Results vary by country depending on the commitment of the Government, degree of cooperation within the Government, and effectiveness of the implementation of the Poverty-Environment Initiative. Where government officials have recognized their country's dependence on natural resource management as a means to reduce poverty, there is good receptivity of the Poverty-Environment Initiative. In five out of the seven case-study countries where the Poverty-Environment Initiative is operative, country offices were found to be supportive of the projects and use this approach to help promote cooperation among practice groups and integrate poverty and environment into their activities as well as government planning.

III. Conclusions

Conclusion 1: Addressing the poverty-environment nexus is essential to achieving the UNDP mission.

19. The linkages between poverty reduction, environmental sustainability and progress on the achievement of MDGs have been well-established in the analytic work of UNDP and other major institutions. Poor people depend disproportionately on access to natural resources for their livelihoods, and development and poverty reduction programmes have significant effects on the environment.

20. UNDP has advocated the poverty-environment nexus in conferences, publications and statements from successive Administrators. UNDP programme reviews have stressed the value of addressing poverty and environment concerns

concurrently, as well as the fact that poverty-environment linkages move in both directions.

21. Increased attention to climate change adaptation in recent years has contributed significantly to greater awareness and understanding of the importance of addressing the nexus in a coherent manner, including its relationship to UNDP work on the prevention and recovery from natural disasters.

Conclusion 2: Strategic planning and advocacy on the poverty-environment nexus is occurring at UNDP, but policy is not yet being systematically translated into practice. Conversely, examples of good practice and success at the local and regional levels are not being effectively communicated and replicated.

22. The current strategic plan makes reference to the centrality of the preservation of the environment for human development and well-being and the vulnerability of the poorest countries and people to climate change and other environmental factors. However, it centres primarily on focus areas and performance objectives, with insufficient attention to cross-area coordination. At the operational level, the absence of operational guidance on poverty-environment linkages limits the willingness and ability of country offices to work with government partners to expand this cross-area coordination.

23. It is evident that the UNDP environment and energy units at all levels are increasingly including sustainable livelihood considerations in their environmental work; however, there is less cross-sectoral recognition from the poverty teams. The differences are due to multiple factors: especially partner government and donor priorities.

24. There is considerable latitude available to country offices to promote cross-sectoral programmes and projects linking environment and poverty priorities, resulting in wide variations across countries and focus areas.

25. Some country offices have effectively used observational results related to projects on the ground to demonstrate benefits and build support for poverty-environment linkages. Where such evaluations and demonstration efforts have occurred, they have increased the awareness of government partners of the importance of addressing the poverty-environment linkages and demonstrated their critical role in reaching UNDP goals. This shows how the ability to monitor progress related to nexus issues can significantly improve outcomes.

26. Safeguard policies and environmental assessment screening mechanisms have been established by other international organizations, especially the international finance institutions, to help ensure that economic development support does not cause excessive and unnecessary harm to the environment and indigenous peoples. Until now UNDP has not established these mechanisms, but they are now under consideration. The Bureau for Development Policy has drafted amendments to the UNDP Programme and Operations Policies and Procedures to establish environmental screening procedures for projects, and there are plans to consider new environmental safeguards policies. If approved and instituted, these mechanisms could enhance cross-sectoral coordination for poverty alleviation and environmental protection.

Conclusion 3: The institutional and financing architecture of UNDP serves as a barrier to integrated approaches. Dependence on external financing is part of the problem. Another part is that substantive capacity is in headquarters focus area teams, not where it is needed in the country offices.

27. UNDP practice architecture and operational structure reinforce the separation of focus areas, encourage individualistic approaches to specific topics, and discourage cross-sector cooperation. Even the one programme explicitly focused on the nexus, the Poverty-Environment Initiative, is separated from the rest of UNDP structure and operates through a parallel administration.

28. The financial system is segmented, and the way that UNDP approaches country support in these two focus areas differs. Most poverty-related funding is focused on policy support at the country level, and is obtained through the UNDP core budget. In contrast, most environment and energy area support is obtained through earmarked donor funds and supports specific projects. This dichotomy has major implications for how the two focus areas can enhance cross-sectoral linkages.

29. UNDP developing support programmes for climate change adaptation hold promise in being able to break down these institutional silos, as the issues overlap with regard to responsibilities within UNDP poverty reduction, environment and sustainable development, crisis prevention and recovery, and democratic governance focus areas.

Conclusion 4: UNDP efforts to better integrate poverty alleviation and environmental protection programmes at the country level depend first and foremost on the interest of countries to make this linkage. All Governments are committed to both poverty reduction and environmental sustainability. However, evidence suggests that many partner Governments continue to believe there are major trade-offs between these goals. Given that the poverty and environment challenges faced by partner countries vary widely, UNDP can demonstrate how such trade-offs can be minimized.

30. The differences between countries regarding their reliance on renewable or extractive natural resources, susceptibility to natural disasters, dependence of the poor on the environment, and government development priorities means that the UNDP approach to dealing with the poverty-environment nexus has to be highly adaptable, flexible, and attuned to country priorities. Furthermore, the opportunities for identifying win-win situations vary considerably, depending on the type of environmental issue at hand. For instance, biodiversity conservation and sustainable livelihoods or provision of clean water provide opportunities for poverty reduction. Both the commitment and ability of the country offices to address these issues and the technical, administrative and financial support they can obtain from the UNDP system affect how seriously they deal with the nexus. It has been clearly demonstrated that with better guidance, support and sustainable funding to develop capacity and demonstrate positive results at the national and local levels, country offices can accomplish better results.

31. Country programmes that take account of the links with governance and crisis management help UNDP achieve its goals more effectively. However, in countries that approach or pass middle income levels but continue to have high incidence of poverty and environmental degradation, country offices face reduced budgets that further limit their ability to address the cross-sectoral issues where they are

important. Where Governments do not prioritize addressing the poverty-environment nexus, it has contributed to reduced commitment by country offices to incorporate poverty-environment linkages into their programming. Conversely, where country offices have a strong commitment, they can better demonstrate the benefits of integrating environmental management and poverty reduction.

Conclusion 5: UNDP is ideally situated to strengthen partnerships within the United Nations system to better coordinate United Nations action on poverty alleviation and environmental protection.

32. Cooperation and partnerships are intrinsically built into the workings of the United Nations system at the country level through the UNDAF. UNDP plays a key role in managing the resident coordinator system at the country level and boasts the most extensive network of country offices. The UNDP ubiquitous country presence, coupled with its mandate to support country efforts to achieve the Millennium Development Goals and meet international environmental convention obligations, thrusts UNDP into a prominent position in terms of building United Nations partnerships. In addition to the UNDP formal partnership with UNEP on a number of environmental issues and the Poverty-Environment Initiative, its cooperation with other United Nations agencies in the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD), climate change adaptation programmes, the Drylands Development Centre, and in local multilateral and bilateral donor coordination mechanisms improves understanding of the nexus issues and contributes to results. Beyond that, however, separate programmes and inconsistent cooperation among United Nations agencies and donors regarding poverty-environment linkages can result in overlap or working at cross-purposes.

33. UNDP can help upgrade coordination among United Nations agencies. The UNDAF process in itself can lead to improved cooperation and coordination between the United Nations agencies in support of government priorities. Increased attention to the poverty-environment nexus in UNDP contributions to UNDAFs can enhance its ability to be more constructive in assisting Governments to address nexus issues and improve the overall effectiveness of the United Nations.

IV. Recommendations

Recommendation 1: UNDP should ensure that practice follows principles. Apart from following policy and advocacy, there is a need to learn from good practices and to replicate successes.

34. UNDP should build upon its analytical work and successful programmatic experiences to integrate poverty reduction and environmental management in its operations at the country level. UNDP policy and advocacy work on the importance of the poverty-environment nexus should be more systematically incorporated into its programming.

35. This will also require identifying good practices and lessons from operations at the headquarters, regional and country levels and analysing success factors that can be scaled up and replicated. An important part of this work will be enhancing knowledge management across the various units, regions and country offices to ensure that good practices and lessons are disseminated across units and regions.

Recommendation 2: The Poverty-Environment Initiative represents good practice and should be scaled up to provide a model of how UNDP does business at the country level. It should also be used as a model for working together with UNEP and other agencies.

36. UNDP should formalize the largely successful Poverty-Environment Initiative, scaling it up from a stand-alone programme, managed primarily as a part of the environment and sustainable development focus area, to a cross-sectoral approach that will inform the organization's work across the poverty reduction and environment and sustainable development focus areas, especially at the country level. The Poverty-Environment Initiative model should be utilized to develop effective ways of integrating the concerns of poverty reduction and environmental management in UNDP programming. It should also inform other programmes and initiatives, such as climate change adaptation, that integrate poverty reduction and environmental management.

37. The Poverty-Environment Initiative approach should also be used as a model for collaboration with other agencies. Lessons from both substantive and organizational cooperation between UNDP and UNEP under the Poverty-Environment Initiative should be analysed and used to inform future collaboration with different members of the United Nations family.

Recommendation 3: UNDP should provide guidelines and create verifiable indicators in order to further integrate poverty reduction and environmental protection into other UNDP operations. It must also invest in developing the capacity of its staff.

38. UNDP should develop guidelines on how to integrate poverty reduction and environmental management goals into programming at the global, regional and country levels. However, such guidelines will be effective only if the staff understand the rationale for and importance of such integration, and have appropriate incentives to work towards it. Therefore, UNDP must develop the substantive capacities of its staff in the regional bureaux and country offices to analyse poverty-environment linkages and integrate them into programming, where appropriate. Furthermore, verifiable indicators should be developed to monitor and evaluate poverty and environment integration in programmes.

Recommendation 4: UNDP must overcome the functional silos that prevent cooperation and integration between focus areas. Analysis of poverty and environment priorities should be incorporated into governance, crisis prevention and recovery, and gender support activities, and vice versa.

39. UNDP should encourage cross-practice cooperation, recognizing that achieving desired results often requires integration and joint programming between focus areas. The design of country programmes should include a systematic analysis to help identify areas where integrating environmental management with poverty reduction, democratic governance, and crisis prevention and recovery focus areas would be important for achieving development results. This analysis should comprise one aspect of the UNDP proposed environmental assessment screening process, and can be a useful tool when UNDP develops new environmental and social safeguard policies. It should be required that programmes be designed to address the integration in cases where the importance of such linkages has been established.